



ENTERED  
08/06/2009

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

IN RE:

NORTH BAY GENERAL HOSPITAL, INC.,  
DEBTOR.

§  
§  
§  
§  
§

CASE NO. 08-20368  
(CHAPTER 11)

**ORDER APPROVING COMPROMISE CONTROVERSY**

**[Schuyler G. Carroll, Unsecured Creditor Agent's Appeal of this Court's December 22, 2008 Order Confirming North Bay General Hospital, Inc.'s Ownership of Causes of Action Against AMT Group, Inc. and Thomas McNaull [Docket No. 187] to the Fifth Circuit Court of Appeals. Circuit Court Case No. 09-20264]  
(relates to docket no. 359)**

The Court has considered North Bay General Hospital, Inc.'s (the "Hospital") Motion to Compromise Controversy Under Rule 9019 of the Federal Rules of Bankruptcy Procedure. The proposed compromise meets the requirements for a compromise as outlined in *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968) and should be approved. The Court finds that the proposed settlement is fair and equitable. The Court further finds that adequate notice of the motion and the hearing on the motion has been given to all creditors and parties-in-interest. Accordingly, it is therefore

**ORDERED THAT:**

1. The Motion to Compromise Controversy under Bankruptcy Rule 9019 with the UCA is **GRANTED**.
2. The Hospital will not seek sanctions against the Schuyler G. Carroll as Unsecured Creditor Agent (the "UCA") for violating the automatic stay in filing, on or about October 2, 2008, a Complaint against Thomas McNaull and AMT in the United States District Court of

Georgia seeking to prosecute the AMT Avoidance Actions (as the term was defined in the Hospital's 2005 Plan).

3. The UCA will not prosecute the appeal of this Court's December 22, 2008 Order, which appeal is subject to reinstatement in the Fifth Circuit Court of Appeals.

4. All parties to this compromise and settlement shall execute and deliver all documents reasonably necessary to effectuate the intent of this compromise and settlement.

5. This settlement will have no effect upon the claims and defenses asserted in Adversary No. 08-3422.

SIGNED this 5th day of August, 2009.

  
JEFF BOHM  
UNITED STATES BANKRUPTCY JUDGE

AGREED, APPROVED AND ENTRY REQUESTED:

By: /s/ Michael J. Durrschmidt  
Michael J. Durrschmidt  
Admissions No. 4720  
State Bar No. 06287650  
25th Floor, Bank of America Center  
700 Louisiana  
Houston, Texas 77002  
Telephone: (713) 220-9165  
Telecopier: (713) 223-9319

ATTORNEYS FOR DEBTOR,  
NORTH BAY GENERAL HOSPITAL, INC.

MEHAFFY WEBER, P.C.

By: /s/ Susan Hardie Jacks

Susan Hardie Jacks

Texas Bar No. 08957600

500 Dallas, Suite 1200

Houston, Texas 77002

Telephone: 713-655-1200

Facsimile: 713-655-0222

E-mail: susanjacks@mehaffyweber.com

COUNSEL TO THE UCA  
AND ARENT FOX, LLP